

20 February 2018

Mr Sebastian Bednarczyk
Australian Securities Exchange Limited
Level 40, Central Park
152-158 St George's Terrace
PERTH WA 6000

By Email: tradinghaltspert@asx.com.au

Dear Sebastian

AWARE QUERY

Further to the ASX's Aware Query letter of 16 February 2018, Centaurus Metals Limited ("CTM" or the "Company") provides the following response to the queries raised.

1. *Does CTM consider the information in the Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?*

Yes

2. *If the answer to question 1 is "no", please advise the basis for that view.*

N/a

3. *When did CTM first become aware of the Acquisition (including the relevant negotiations), or any part of it? In answering this question, please state the date and time CTM first became aware.*

- On 24 November 2017, CTM made an offer to a private Brazilian vendor in relation to a package of four tenements in the Carajás Mineral Province.
- CTM's offer was not accepted by the vendor and CTM believed negotiations were at an end.
- In December 2017 the same private Brazilian vendor recommenced communications with CTM, but only in respect to one tenement (being the nickel-cobalt tenement the subject of the Acquisition).
- Over the course of January 2018 negotiations continued and draft purchase documentation was sent to the vendor for their initial consideration on 20 January 2018.
- On 26 January 2018, the vendor responded and advised of changes they required to be made to the proposed terms of the transaction.
- Following discussion and negotiation of the changes requested, a further draft of the document was then sent to the vendor on 27 January 2018. CTM's expectation at the time was that this draft would, but for any additional issues raised by the vendor, be an essentially final version of the document.

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- On 30 January 2018 in Brazil (pre-open 31 January in Australia) the vendor verbally advised they were happy with the terms of the transaction and arrangements were then made for the vendor and the Company's Country Manager to meet in Belem, northern Brazil, on 1 February 2018 to do all things necessary to complete the transaction, including ensuring that the application to transfer title was lodged at the Brazilian Mines Department, DNPM.
- CTM requested a trading halt ahead of this event, on 31 January 2018.

4. *If CTM first became aware of the Acquisition, before Thursday, 18 January 2018, did CTM make any announcement which disclosed this information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe CTM was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps CTM took to ensure that the information was released promptly and without delay.*

- As set out above, while CTM was in negotiations with a vendor since December 2017, those negotiations were still in progress as at 18 January 2018 and neither in-principle agreement as to transaction terms nor a legally binding arrangement was reached until approximately two weeks later.
- Prior to the vendors' confirmation pre-market open on 31 January 2018 that they were happy to proceed with the Acquisition, all discussions with the vendor constituted incomplete negotiations and related to matters which in CTM's view were insufficiently definite to warrant disclosure. Such negotiations took place on a confidential basis and CTM has no reason to believe that such confidentiality was breached at any time prior to 18 January 2018 (or at all).
- In CTM's view, any disclosure of a potential transaction on or before 18 January 2018 would have potentially been misleading to the market and created the risk of there being a disorderly market in CTM's securities. Further, CTM does not consider that a reasonable person would at that time have expected an announcement to be made.
- CTM acted promptly and without delay when it called a trading halt pre-market open on 31 January 2018 – that step was taken as soon as CTM had a sufficiently high degree of confidence that execution was likely to occur in Brazil later in the week.
- Negotiations with the vendor were completed and an agreement was executed in Brazil on Thursday 1 February 2018.

5. *When did CTM first become aware of the Capital Raising, or any part of it? In answering this question, please state the date and time CTM first became aware.*

- On 8 December 2017, the CTM Board discussed the need for a further capital raising in the coming months to fund exploration at its Salobo West and Pebas Copper-Gold Projects, and for working capital generally.
- CTM's cash position at the end of December 2017 was under \$1 million (see CTM's December 2017 Quarterly Report dated 25 January 2018).
- With negotiations in relation to the Acquisition having progressed to the stage where a legally binding agreement was nearing final form, CTM's Board resolved, on 30 January 2018, to undertake a capital raising through a share placement so that the Company had sufficient funds to undertake exploration on that new project, the Salobo West Copper Gold Project and the Pebas Copper-Gold Project – all located in the Carajas Mineral Province of Brazil.
- A capital raising mandate was executed with Peloton Capital on the morning of 31 January 2018, the same day as the Company called its trading halt.

6. *If CTM first became aware of the capital raising before Thursday, 18 January 2018, did CTM make any announcement which disclosed this information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe CTM was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps CTM took to ensure that the information was released promptly and without delay.*

N/a. The Company only took formal steps to proceed with the capital raising after 18 January 2018.

7. *Please confirm that CTM is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.*

The Company is in compliance with the Listing Rules and, in particular, the continuous disclosure obligations of Listing Rule 3.1.

8. *Please confirm that CTM's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CTM with delegated authority from the board to respond to ASX on disclosure matters.*

CTM's response has been so authorised and approved.

Should you have any queries, please contact the Company Secretary, Mr Paul Bridson, on +61 8 9420 4000.

Yours faithfully

CENTAURUS METALS LIMITED



DARREN GORDON
Managing Director



16 February 2018

Mr Paul Bridson
Centaurus Metals Limited
Level 3, 10 Outram Street
WEST PERTH WA 6005

By email

Dear Mr Bridson

Centaurus Metals Limited (“CTM”): Aware Query

ASX Limited (“ASX”) refers to the following:

- A. CTM’s announcement entitled “Response to ASX Price Query” (“Price Query Response”) lodged on the ASX Market Announcements Platform (“MAP”) and released at 5:43 pm AEDT on Thursday, 18 January 2018, where CTM advised the following:

“1. The Company is not aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company

...

3. The Company is not aware of any other explanation for the price change or increase in volume in the securities of the Company.

4. The Company confirms that it is in compliance with the Listing Rules and, in particular, listing rule 3.1.”

- B. CTM’s request for a trading halt lodged on MAP and released at 9:58 am AEDT on Wednesday, 31 January 2018 (“Trading Halt”) pending an announcement by CTM in relation to the completion of a significant project acquisition and capital raising.
- C. The announcement entitled “Suspension from Official Quotation” lodged on MAP and released at 9:58 am AEDT on Friday, 2 February 2018, and CTM’s request that its securities be placed in voluntary suspension (the “Suspension”).
- D. The change in the price of CTM’s securities between Thursday, 18 January 2018 (including an opening price of \$0.007 on that day and reaching a high of \$0.0125 on Wednesday, 24 January 2018), and prior to CTM entering a trading halt on Wednesday, 31 January 2018 (reaching a high of \$0.011 on Tuesday, 30 January 2018).
- E. CTM’s announcement entitled “Centaurus Secures Exceptional Nickel-Cobalt Project Adjacent to World-Class Brazilian Ni-Co Deposit” lodged on MAP and released on 2:02 pm AEDT on Friday, 2 February 2018 (the “Announcement”), disclosing among other things:

“Acquisition of 100% of the Itapitanga Nickel-Cobalt Project, in the Carajás Mineral Province.”

(the, “Acquisition”)

and

“Heavily oversubscribed share placement raises \$2.65 million to fund ongoing exploration activities on the Company’s highly prospective and growing copper, gold, nickel and cobalt tenement footprint in the Carajás Mineral Province. the acquisition of 100% of the Itapitanga Nickel-Cobalt Project and a shares placement to raise \$2.65 million”

(the, “Capital Raising”)

- F. The increase in the price and volume of trading in CTM’s securities on Friday, 2 February 2018, including a high of \$0.018 that day.
- G. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.
- H. The definition of “aware” in Chapter 19 of the Listing Rules, which states that:

“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity”

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B* “When does an entity become aware of information”.

- I. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

- J. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Having regard to the above, ASX asks CTM to respond separately to each of the following questions and requests for information:

1. Does CTM consider the information in the Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. When did CTM first become aware of the Acquisition (including the relevant negotiations), or any part of it? In answering this question, please state the date and time CTM first became aware.
4. If CTM first became aware of the Acquisition, before Thursday, 18 January 2018, did CTM make any announcement which disclosed this information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe CTM was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps CTM took to ensure that the information was released promptly and without delay.
5. When did CTM first become aware of the Capital Raising, or any part of it? In answering this question, please state the date and time CTM first became aware.
6. If CTM first became aware of the capital raising before Thursday, 18 January 2018, did CTM make any announcement which disclosed this information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe CTM was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps CTM took to ensure that the information was released promptly and without delay.
7. Please confirm that CTM is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
8. Please confirm that CTM's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CTM with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **6:30 am WST on Wednesday, 21 February 2018**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in CTM's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CTM's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at tradinghaltsperth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to CTM's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that CTM's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in CTM's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Sebastian Bednarczyk
Senior Adviser, Listings Compliance (Perth)